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894

Raised Bill 894  
Public Hearing: 2-17-09

TO: MEMBERS OF THE INSURANCE AND REAL ESTATE COMMITTEE  
FROM: CONNECTICUT TRIAL LAWYERS ASSOCIATION (CTLA)  
DATE: FEBRUARY 17, 2009

RE: SUPPORT FOR RAISED BILL 894 - AN ACT REQUIRING DISCLOSURE OF  
AUTOMOBILE LIABILITY INSURANCE POLICY LIMITS PRIOR TO THE  
FILING OF A CLAIM

The CTLA supports raised bill 894, and respectfully contends that the bill should be approved without the sunset provision found in subsection 1(a) or the study mandated in section 2.

This bill requires a tortfeasor's automobile insurance company to disclose the amount of automobile liability insurance coverage available to the tortfeasor, if the injured person or his/her attorney makes a written request for such information.

In Connecticut, insurance companies are already required to disclose insurance coverage when an injured person files a lawsuit against the wrongdoer. This bill simply requires disclosure earlier in the process (upon written request) so that some cases can be settled before lawsuits need to be filed.

**This bill is law in our neighboring states: Massachusetts, Rhode Island and Vermont.**

This bill will facilitate earlier settlements of legal claims in the following cases: 1) if the tortfeasor only has a small amount of insurance coverage (e.g. \$20,000 auto liability coverage), then it is helpful that a seriously injured person with say, \$100,000 in damages, knows this information early on in the process – because this is the type of case that could very well be settled before a lawsuit must be filed; 2) if there are numerous injured victims and the one wrongdoer only has a small amount of liability coverage, then it would be helpful for the injured people to know the amount of available liability insurance coverage early on in the process, so again, that meaningful settlement discussions can take place among all of the parties before the injured people need to file lawsuits.

This bill will not lead to attorney's increasing the settlement demand if the tortfeasor's coverage is high. There is no benefit in an attorney making an unreasonably high settlement demand, because then the case won't settle pre-suit and the attorney will have to file the lawsuit nevertheless. IN ADDITION – Insurance industry claim representatives would never accept demands higher than the value of the case.

**WE RESPECTFULLY URGE YOU TO SUPPORT RAISED BILL 894. Thank you.**

**PROPOSED SUBSTITUTE TO RB 894 AN ACT REQUIRING  
DISCLOSURE OF AUTOMOBILE LIABILITY INSURANCE POLICY  
LIMITS PRIOR TO THE FILING OF A CLAIM**

***(Removing sunset and study provisions)***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. *(Effective from passage, and applicable to requests for disclosure made on any pending claim)*

(a) Not later than fourteen days after an insurer receives a written request by, or on behalf of, an individual that alleges the individual has suffered bodily injury or death caused in a motor vehicle collision by an insured under an automobile liability insurance policy issued by the insurer, the insurer shall provide written disclosure of such insured's insurance policy limits to the individual making the request. The disclosure shall be provided in accordance with subsection (c) of this section.

(b) Each written request for disclosure shall be accompanied by a letter from an attorney-at-law admitted to practice in this state, with or without an affidavit, that sets forth: (1) The type of claim alleged against the insured; (2) the date and approximate time of the alleged incident that gave rise to the request for disclosure; and (3) a general description of the injuries alleged to have been caused by the insured. An attorney-at-law who submits a letter requesting disclosure pursuant to this section shall include the attorney's juris number in the letter. The contents of any letter or affidavit requesting disclosure of insurance policy limits pursuant to this section shall not be admissible in evidence in any civil action involving the injury or death that gave rise to the request for disclosure.

(c) The disclosure provided by the insurer shall (1) indicate all coverage provided by the insurer to the insured, including, but not limited to, any applicable umbrella or excess liability insurance issued by the insurer, and (2) include copies of applicable declaration pages or similar materials that reflect the insurance coverage provided by the insurer to the insured.

(d) The requirements of this section shall only apply to an insurer with respect to a policy that insures against loss or damage on account of the bodily injury or death of any person.